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- (54) **SYSTEM AND METHOD FOR REDEEMING A REWARD**
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See application file for complete search history.

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(57) **ABSTRACT**

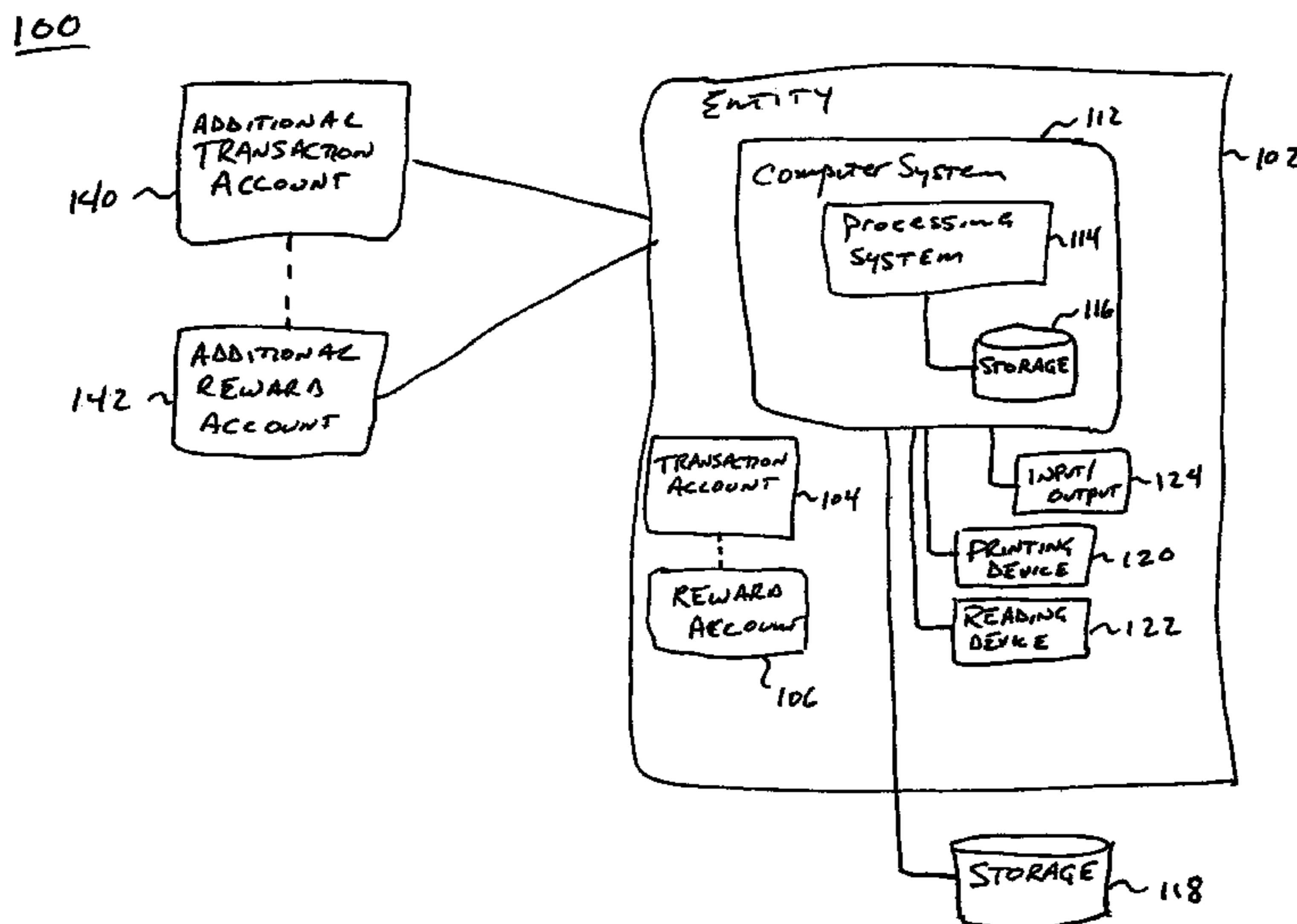
Systems and methods for redeeming a reward held by an individual are described. A method for redeeming a reward includes determining threshold criteria for provision of a targeted reward redemption offer, identifying at least one individual based upon the threshold criteria, determining the targeted reward redemption offer, and providing the targeted reward redemption offer to the identified individual. A response to the provided targeted reward redemption offer may be received, and an account of the identified individual may be adjusted in accordance with the targeted reward redemption offer and the received response.

**14 Claims, 2 Drawing Sheets**

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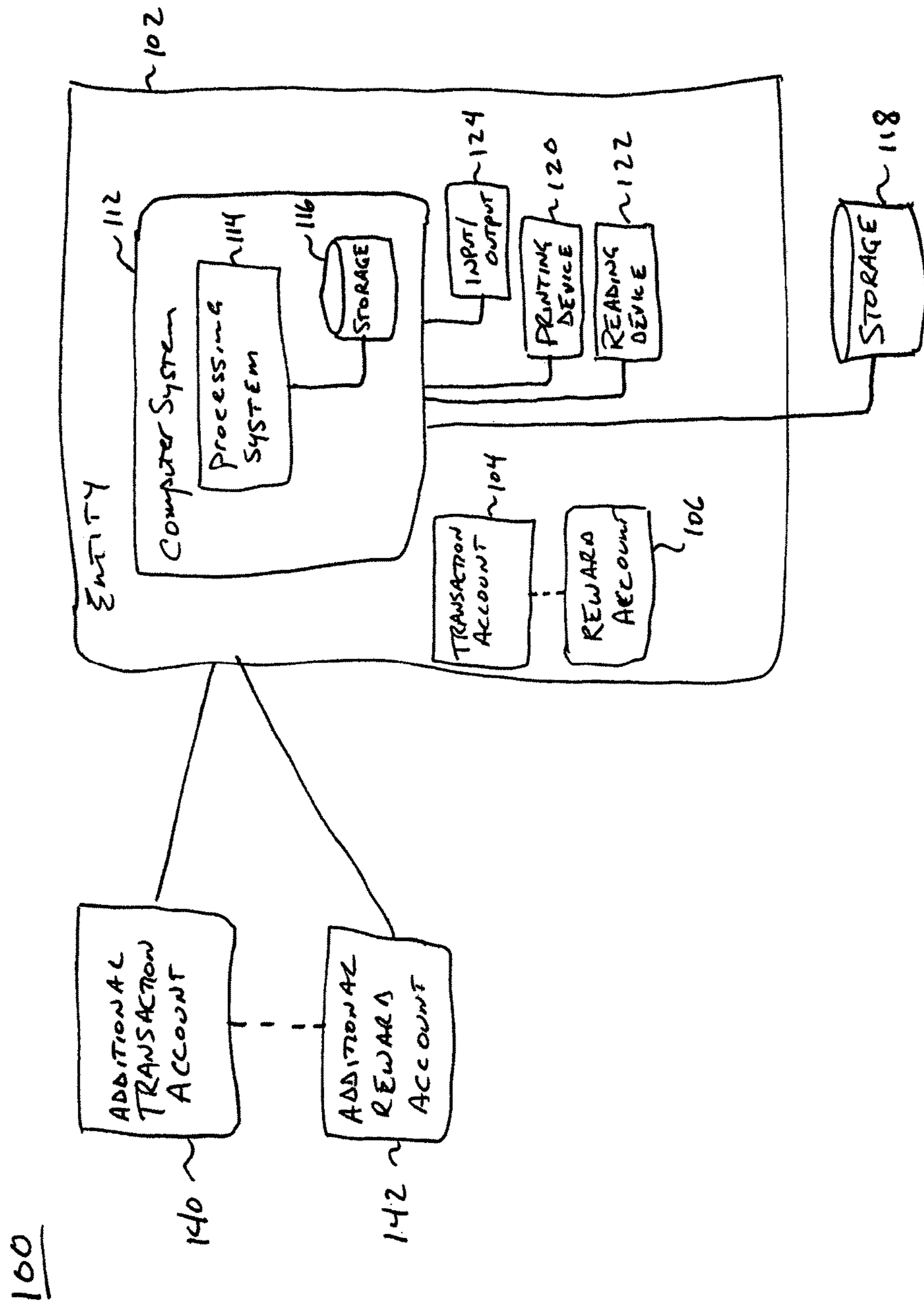


FIG. 1

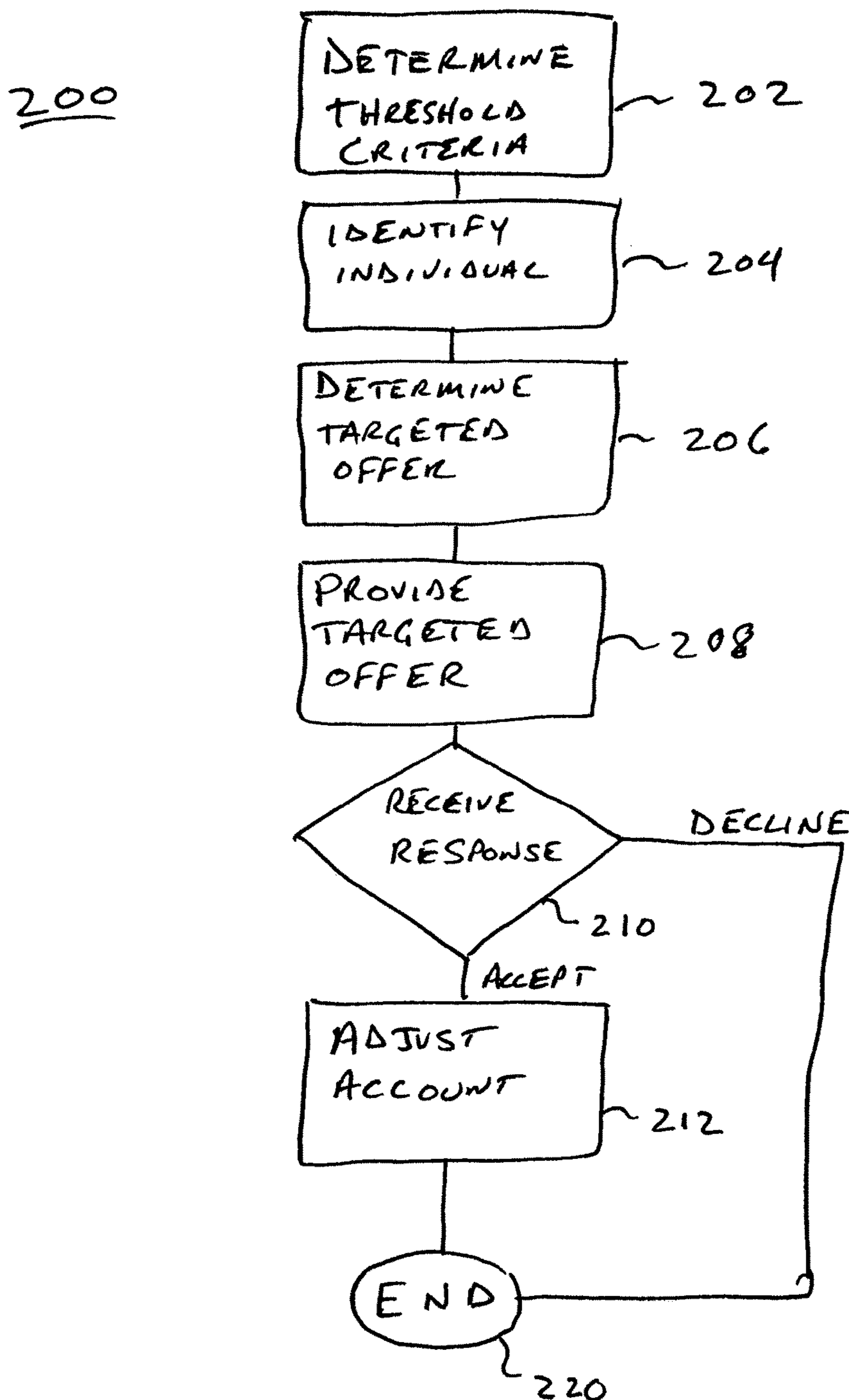


FIG. 2

**1****SYSTEM AND METHOD FOR REDEEMING  
A REWARD**

## FIELD

The present application relates to systems and methods for redeeming a reward, and more particularly to systems and methods for redeeming a reward by determining an offer, providing the offer to an individual, and receiving a response to the offer.

## BACKGROUND

Reward programs may be used as marketing devices to provide incentives to individuals to perform transactions using accounts, for example financial accounts. The reward programs may be managed by entities such as financial institutions. In a conventional reward program, a reward account of an individual is established and linked to or associated with a financial account to allow the individual to receive a type of benefit in exchange for using the financial account in performing transactions. The benefit may include reward units, such as reward points, and the reward units may be exchanged for goods and services, such as airline travel and consumer products offered by various merchants and service providers. A financial transaction card is commonly associated with the financial account and/or the reward account, and is provided to the individual to facilitate the performance of the transactions without requiring the use of cash or personal checks.

The number and variety of reward programs managed by entities has increased greatly, and the increased number of programs has in turn resulted in increased utilization of reward programs by individuals. For example, a large number of financial institutions presently offer and manage reward programs, and it is common for an individual to have multiple independent financial accounts each associated with a separate reward type or reward program. This increased participation in reward programs has led to the accumulation of large balances of reward units by a great number of individuals.

In conventional reward programs, the rewards may have a long or indeterminate duration, and may be maintained in the reward account until the individual elects to redeem them for goods and/or services. These accumulated balances of indeterminate duration may therefore result in large values of unused reward units being maintained for long periods of time, necessitating substantial effort and introducing uncertainty into accounting and financing programs of the entity. Furthermore, the unused value represents a claim against the entity and/or merchants for which the reward units may be exchanged, adding to the accounting and financing uncertainty associated with the large stores of unused reward units. Additionally, individuals holding reward units may forget about the accumulated reward units and therefore neglect to redeem them, resulting in an under-utilization of reward program benefits and a decrease in satisfaction of the individuals.

Accordingly, a need exists for reward systems and methods that facilitate the redemption of rewards by individuals, and that offer additional mechanisms by which individuals may be encouraged to utilize reward program benefits.

## SUMMARY

An aspect of the present application provides for a method for redeeming a reward held by an individual, comprising

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determining threshold criteria for provision of a targeted reward redemption offer, identifying at least one individual based upon the threshold criteria, determining the targeted reward redemption offer, providing the targeted reward redemption offer to the identified individual, receiving a response to the provided targeted reward redemption offer, and adjusting an account of the identified individual in accordance with the targeted reward redemption offer and the received response.

## BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 shows an exemplary system for redeeming a reward according to the exemplary embodiments of the present application; and

FIG. 2 is a flow diagram illustrating an exemplary method for redeeming a reward according to the exemplary embodiments of the present application.

## DETAILED DESCRIPTION

The exemplary embodiments of the present application relate to systems and methods for redeeming a reward. A method for redeeming a reward may include determining threshold criteria for provision of a targeted reward redemption offer, identifying at least one individual based upon the threshold criteria, determining the targeted reward redemption offer, and providing the targeted reward redemption offer to the identified individual. A response to the provided targeted reward redemption offer may be received, and an account of the identified individual may be adjusted in accordance with the targeted reward redemption offer and the received response.

An exemplary reward redemption system **100** is shown in FIG. 1. The reward redemption system **100** may include an entity **102** and at least one transaction account **104**. The entity **102** may provide various services, including maintaining accounts. In an exemplary embodiment, the reward redemption system **100** may be associated with a financial institution such as a bank, credit union, mortgage issuer, or a provider of financial services. The entity **102** may provide services to individuals through the transaction account **104**, and the transaction account **104** may be associated with balances and/or lines of credit. The transaction account **104** may be associated with an individual, the individual typically being an identified principal holder of the account. In alternative embodiments, one or several entities may be associated with a single transaction account **104**, including individual and enterprise entities. The entity **102** may include, for example, a bank, a brokerage, a mortgage company, a credit union, and a transaction card issuer, such as a credit card issuer. The entity **102** may additionally be responsible for facilitating payments for transactions performed by the individual. As will be appreciated by one skilled in the art, the term "account" may include any arrangement providing for dealings or services, and may include transactions involving items, services, persons, etc.

An exemplary reward redemption system **100** of the present application may include software programs and/or routines stored and executed, for example, by a computer system **112** of the entity **102**, and the software programs and/or routines may include software programs and/or routines for performing communication with other computer systems in conjunction with computer communication hardware and software. Communication between computer systems may be performed via a public communication network, for example the Internet, or via a private

communication network separate from and independent of a public communication network. The communication may be performed by utilizing communication methods and protocols including TCP/IP, FTP, SSH, WIFI, and the like.

The terms “computer system” and “network” as used herein may include a variety of combinations of fixed and/or portable computer hardware, software, peripherals, and storage devices. The computer system **112** may include a plurality of individual components that are networked or otherwise linked to perform collaboratively, or may include one or more stand-alone components. The hardware and software components of the computer system **112** of the present application may include and may be included within fixed and portable devices including desktop, laptop, server, personal digital assistant, tablet, smart phone, television, radio, and audio and video recording devices.

The computer system **112** of the entity **102** of the present application may further include a processing system **114**, at least one internal storage device **116**, at least one external storage device **118**, at least one printing device **120**, at least one reading device **122**, and at least one input/output device **124**. The storage devices **116**, **118** may include devices for storing data electronically, such as hard drive devices, storage servers, storage-area networks, RAID configurations, optical media drives, holographic media drives, tape media drives, flash memory devices, and the like. The computer system **112** may also include computer system components including one or more random-access memory modules. The at least one input/output device **124** may additionally include one or more peripherals such as keyboards, mice, and monitors for enabling input and output of information to and from the computer system **112**.

The software routines and/or programs may be embedded and/or stored in the internal storage device **116** or external storage device **118** and may be run by the processing system **114**. Alternatively, the software routines and/or programs may be run by another computer system independent of entity **102**, with output of the software routines and/or programs being accessed by processing system **114** and/or input/output device **124**. The processing system **114** may run software applications including operating systems such as UNIX, Linux, BSD, OS/2, VMS, VAX, and Microsoft applications, as well as database applications, web server applications, file server applications, FTP server applications, mail server applications, and the like.

Additionally, the computer system **112** may be capable of network communication, and the networks over which the communication may be performed may include wired or wireless communication lines and associated hardware devices used in transmitting, receiving, and routing data, such as routers, switches, hubs, network interfaces, and the like.

The computer system **112** may also include software applications to allow it to function as a web server for delivering information via an Internet interface using sockets. The information transmitted by the web server may include web page information identified by universal resource locators (“URLs”), and formatted in Hypertext Markup Language (“HTML”) or a similar formatting language in response to requests received via the Internet. The web page information may also include information formatted using Dynamic HTML (“DHTML”), Extensible Markup Language (“XML”), Java, JavaScript, and the like. Alternatively, the web server may be configured to provide information utilizing Wireless Access Protocol (“WAP”) to a WAP-enabled device such as a cellular telephone, personal digital assistant (“PDA”), and the like.

Web server functions may be performed through utilization of web server software applications such as Apache, Netscape, and Microsoft web server applications in conjunction with Common Gateway Interface (“CGI”) applications.

The CGI applications may perform tasks related to receiving and sending data packets to other computer systems via communication networks, and may additionally perform communication with the database applications in accordance with information received from the communication networks. The CGI applications may include programs written, for example, using programming languages such as C, C++, C#, Java, Perl, Python, Ruby, BASIC, COBOL, and shell scripts. Additionally, the web server applications may incorporate or may be associated with data encryption applications including Secure Socket Layer (“SSL”) and/or Transport Layer Security (“TLS”) applications for providing endpoint authentication and communications privacy using cryptography, and secure shell (“SSH”) applications for encrypted communications, tunneling, forwarding ports, and transferring data files. The web server applications may additionally provide web services, and the web services may be provided via private communication networks and/or public communication networks such as the Internet.

The database applications may be utilized to define, build, and manage databases, and the databases may be stored in internal storage devices **116** and/or external storage devices **118**. The database applications may include relational database management systems, such as applications developed by Oracle, IBM, and the like.

Additionally, the computer system **112** may run information processing software modules, including modules for account establishment and management, confidential information collection, request reception and processing, information formatting and transmission, security monitoring, and report generation. As will be appreciated by those skilled in the art, the modules may be programmed using, for example, one or more of the programming languages identified above, and may be programmed to interact with and utilize the computer system communication and data processing hardware elements identified above.

A transaction card for performing transactions may be linked with transaction account **104**. The transaction card may include, for instance, a credit card, a debit card, a reward card, a check card, a stored value card, and a smart card. Usage of the transaction card to perform transactions using the transaction account **104** may be performed electronically and may be facilitated by a mechanism such as a magnetic strip positioned on the transaction card or via a processing unit incorporated into the transaction card. Accordingly, the individual may use the transaction card to perform transactions, for example purchase transactions, through a merchant using funds or credit held in the transaction account **104**.

The merchant may include a vendor having a physical store carrying an inventory of products and/or services for sale to individuals, or may include a virtual store presented in the form of a web page and usable by individuals via a communication network such as the Internet. Additionally, transaction card reading devices at merchant locations may read data encoded on the magnetic strip and/or data transmitted by the processing unit of the transaction card to identify the transaction account **104** associated with the transaction card, and the balance of the transaction account **104** may be adjusted in accordance with the transaction.

A merchant may utilize a transaction system that may be operable for performing transactions, for example purchases, sales, refunds, rebates, and the like involving prod-

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ucts and/or services offered by the merchant. In an exemplary embodiment, the transaction system of a merchant may include a point of sale (“POS”) terminal operable for reading the transaction card. Alternatively, each merchant transaction system may include an automated teller machine (“ATM”), a cash register, a transaction card reading device, a magnetic scanning device, an optical scanning device, and the like, and may include a display device and a printing device for presenting information to the individual performing the transaction. The performance of transactions involving purchases and sales of goods and services using transaction accounts and associated transaction cards is well known in the art, and therefore will not be described in detail herein.

To facilitate use of the transaction card in performance of transactions, a reward may be associated with a reward account **106**, and the reward account may be linked or associated with the transaction account **104**. The reward may include reward units, for example in the form of reward points or reward miles, and a balance of reward units may be maintained in the reward account **106**. Reward units may be credited to and accrued by the individual, for example, when the transaction account **104** and/or transaction card is used at any number of merchants.

Reward units may be associated with a predetermined quantity or value of an incentive, promotion, benefit, or the like associated with the use of the transaction account **104** and/or the transaction card. In an exemplary embodiment, a quantity of reward unit may be associated with a value of a transaction performed using the transaction card and granted to the individual. For example, each dollar spent using the financial transaction account **104** and/or transaction card may correspond to one reward unit.

Reward units may be redeemable for discounts from a price of goods and/or services. Additionally, reward units may be redeemable for direct exchanges for goods and/or services. In an exemplary embodiment, for example, a reward unit associated with an airline service benefit may be associated with a predetermined number of miles of airline travel. The airline mile reward unit may accordingly be redeemable for travel vouchers or airline tickets issued by an airline affiliated with the entity **102**. Many types of reward units may be utilized, and reward unit types may be differentiated by benefits offered through redemption of the reward units. For example, reward unit types may be linked to different types of merchants, industries, service providers, and the like, and the reward units may be redeemable in different forms including lodging units, airline miles, merchandise units, service units, gift certificates, cash, and the like.

Additionally, the individual may have at least one additional reward account **142**, and the at least one additional reward account **142** may be associated with at least one additional transaction account **104**. The additional reward account **142** and/or additional transaction account **140** may be managed by an entity independent of entity **102**. Alternatively, the additional reward account **142** and/or additional transaction account **140** may be managed by entity **102**. The additional reward account **142** may contain one or more rewards, for example in the form of reward units or points. The additional transaction account **140** and/or additional reward account **142** may be managed and utilized in a manner similar to the management and utilization of the respective transaction account **104** and/or reward account **106**, as described below.

Exemplary embodiments of methods of the present application may include determining threshold criteria for reward

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provision, identifying an individual meeting the threshold criteria, determining a targeted reward redemption offer, providing the targeted offer to the identified individual, receiving a response to the targeted offer from the individual, and adjusting an account of the individual in accordance with the targeted offer and the received response.

Referring to FIG. **2**, for example, threshold criteria may be determined at step **202**. In an exemplary embodiment, the threshold criteria may include, for example, a threshold quantity of reward units which may be held in the reward account **106** and/or granted to at least one individual within a predetermined period of time. The threshold quantity of reward units may additionally include an average quantity of reward units and/or a median quantity of reward units. The threshold quantities of reward units may be measured and/or calculated at any suitable time, and may be calculated once or on a periodic, recurring schedule. The calculation may be performed, for example, at least once daily, weekly, monthly, quarterly, annually, and the like.

In an exemplary embodiment, determination of the threshold criteria may be performed in association with date information, for example information indicating a season or a time of year. The date information may be utilized to modify the threshold criteria to accommodate traditional consumer transaction and reward redemption behavior patterns. The threshold quantity of reward units may be adjusted in accordance with a date, for example, by increasing the threshold quantity of reward units determined during traditional vacation or holiday shopping periods associated with high levels of consumer activity. Similarly, the threshold quantity of reward units may be decreased during periods of low consumer activity, such as post-holiday shopping periods.

At least one individual meeting the threshold criteria may be identified at step **204**. The determining of individuals may include parsing and searching of transaction history information, examination of a balance of transaction account **104**, examination of a balance of reward account **106**, and/or processing of other individual information. In an exemplary embodiment, the individual information may be located in one or more databases stored, for example, in internal storage device **116** and/or external storage device **118**, and the one or more databases may contain individual transaction account information, reward account information, individual demographic information, and the like.

In an exemplary embodiment, for example, the one or more databases may contain at least one reward unit adjustment table, wherein all individual reward unit adjustments may be stored, such as reward units earned by the respective individual, reward units redeemed by the respective individual, effective dates of modification or status change of reward units of the respective individual, type and/or category of past redemptions of reward units of the respective individual, and other information related to the reward units held by and/or redeemed by individuals. The type and/or category of past redemptions may include, for example, a category of good and/or service for which the reward units were exchanged, such as cash, merchandise, air travel, services, gift card, charity, foreign locations, and the like.

The individual information stored in the one or more databases may include information associated with a plurality of individuals. The plurality of individuals may be associated with entity **102**, for example, as accountholders of accounts managed by the entity **102**. For example, the information stored for each respective individual may include one or more of an individual name, an individual address, an individual taxpayer identification number, indi-

vidual preexisting account and associated financial entity information, individual reward account information, a credit limit of a transaction account of the individual, individual financial asset information, individual financial history information, individual employment information, and the like. Additional individual information may also be stored, for instance, information such as demographic information of each respective individual, a history of purchases by each individual of a type of product or service, a history of purchases by each individual at a particular merchant or branch retail locations of the merchant, a history of purchases by each individual in a geographical region, and the like. The demographic information of the individuals may include information related to individual age, sex, family status, and the like.

Additionally, the one or more databases may include transaction history archive information, such as historical records of each transaction performed by a respective individual, as well as information associated with transaction location, transaction merchant identifier, transaction merchant type, transaction item identifier, transaction item type, transaction time and/or date, and the like. The transaction history archive information may be categorized in several forms, for instance, by dividing the history archive information temporally or geographically, and indexing the divided information in tables or charts. In an exemplary embodiment, for example, the history archive information may be categorized into a monthly earning table, to include a record of activity on a monthly basis. The monthly earning table may be processed, for instance, to determine increased and/or decreased activity and patterns of transaction activity, which may in turn be utilized in determining a predicted probability of acceptance of a targeted offer.

In an exemplary embodiment, for instance, individuals determined to have, for example, at least the threshold quantity of reward units in their respective reward accounts may be identified for provision of a targeted reward redemption offer. Alternatively, individuals having an average and/or median quantity of reward units measured over a predetermined period of time may be identified for provision of a targeted offer. For instance, individuals having at least a predetermined monthly average balance or at least a predetermined quarterly average balance may be identified in step **204**.

Information associated with lengths of time of holding of the reward units may also be processed during the identification of step **204**. In an exemplary embodiment, for example, a cumulative and/or average period of time elapsed measured from a grant of the reward units may be utilized, and the threshold quantity of reward units may be adjusted in accordance therewith. For instance, the threshold quantity of reward units may be determined as described above, and thereafter reduced by a factor corresponding to an average holding period of the reward units in reward account **106** of the individual. The threshold quantity may be, for example, divided, multiplied, or otherwise arithmetically adjusted by an average holding period of the reward units held by the individual, and the resulting value may be utilized in determining whether the individual may be provided with a targeted offer. Alternatively, a coefficient or other numerical factor may be calculated, and processed to adjust the threshold quantity of reward units in identification of the at least one individual. Utilization of the information associated with lengths of time of holding of the reward units may be used in this manner to adjust the threshold criteria, for example, to attribute lower and/or more easily-attainable

criteria values to longer-held balances of reward units, to effect a greater to individuals which hold the reward units for various periods of time.

Other information associated with each respective individual may be utilized and/or processed to adjust the threshold criteria used during identification of the at least one individual. In alternative exemplary embodiments, for example, individual transaction history information, individual transaction frequency information, information associated with lengths of time between transactions of the individual, information associated with average and/or median transaction values of the individual, individual transaction location information, transaction account **104** and/or reward account **106** establishment date information, individual demographic information, and individual financial asset information may be utilized to adjust the threshold criteria and/or may be utilized as additional threshold criteria factors.

In an exemplary embodiment, for example, transaction history information may be processed during the identification of step **204**. Individuals having purchased items within predetermined classes and/or types of goods may be identified as suitable for provision of a targeted offer. Similarly, individuals having a history of transactions performed within predetermined geographical areas, at predetermined merchants, and/or within predetermined periods of time may be identified as suitable for provision of a targeted offer.

Additionally, expiration information associated with the reward units may be processed. In an exemplary embodiment, for example, expiration conditions of the reward units may be identified and processed, and individuals may be ranked and/or categorized in accordance with a relative quantity of reward units that may be near a time of expiration and/or that may be subject to other conditions regarding possible redemption of the reward units. The expiration information may be processed, for example, in the identification of individuals having reward units that will soon expire, or which have already expired at the time of the identification processing. Individuals having a relatively high number of reward units which will soon expire may not be identified for provision of targeted offers, as they will have a short period of time within which to act in accordance with the offer, or because the expected expiration would eliminate their reward units from consideration. For instance, individuals having reward units which will expire within a predetermined period of time, such as six months, may not be identified for provision of the targeted offer.

The processing of the expiration information associated with the reward units may also include demographic information and information associated with transactions, spending patterns and/or behavior of the individuals, as described above. In an exemplary embodiment, for instance, transaction history information individuals having reward units expiring in a relatively short time may be processed to determine a relative likelihood that the individual may redeem the reward units prior to expiration.

Additionally, the identification processing of step **204** may include scoring and/or ranking of individuals in accordance with a predicted probability that the respective individuals will elect to accept a targeted offer if a targeted reward redemption offer is provided. In an exemplary embodiment, for instance, individuals having a transaction history including purchases of a particular type of good or purchases of goods within a particular class of goods may be assigned a relatively high probability of acceptance of a targeted offer involving similar goods. The relative probability processing may additionally include individual



demographic information, individual geographic information, individual wealth information, and the like, as described above.

The threshold criteria and values of additional information used to adjust the threshold criteria as described above may be modified at any time, for example to accommodate seasonal patterns, changing business conditions, variations in individual demographics and/or spending and transaction activity, and the like.

At least one targeted reward redemption offer may be determined and associated with at least one identified individual at step 206. The targeted offer may include, for example, an offer inviting the identified individual to exchange a predetermined quantity of reward units for a predetermined good and/or service. The targeted offer may be associated with a predetermined type and/or category of good or service, and may additionally be associated with a predetermined merchant or chain of merchant, a predetermined type of merchant, a predetermined geographical area, and the like. The targeted offer may be limited in duration, or may be indefinite in duration. The targeted reward redemption offer may be specifically directed to and acceptable only by the identified individual, or may be anonymous and acceptable by any individual possessing it. A targeted offer may be provided to a plurality of identified individuals that have common characteristics, or each reward offer may be determined individually.

In an exemplary embodiment, for example, the one or more targeted offer may be limited to a particular type of good and/or service, such as airline travel. Targeted reward redemption offers may be determined based upon geographical distribution of transactions, or upon demographic information associated with residence of the individual.

The targeted reward redemption offers may be determined based upon a quantity of a balance of reward units determined in step 204. In an exemplary embodiment, for instance, a targeted reward redemption offer associated with goods and/or services having a high cost may be determined for identified individuals having relatively large balances of reward units. Similarly, targeted offers associated with goods and/or services having “luxury” or “status” connotations may be determined for identified individuals having relatively large balances of reward units. Likewise, targeted reward redemption offers associated with goods and/or services having a low cost may be determined for identified individuals having relatively low balances of reward units.

The determination of the targeted reward redemption offer may include processing to ascertain a probability and/or likelihood of acceptance of the targeted offer by the identified individual. In an exemplary embodiment, for instance, the probability of acceptance of the targeted offer may be determined based upon the identified individual’s transaction history, redemption history, and/or any of the individual information described above. The characteristics of the targeted offer may then be adjusted in accordance with the determined probability of acceptance. For instance, an individual associated with a transaction history including a particular type of good, or transactions having been performed within a particular season or geographical area may be determined to have a higher probability of acceptance of a targeted reward redemption offer associated with similar goods, seasons, or within similar geographical areas.

The at least one targeted reward redemption offer may be provided to the identified individual at step 208. The provision of the targeted reward redemption offer may include, for example, delivery of a paper document and/or coupon transmitted via postal mail. Alternatively, the targeted

reward redemption offer may be included within an electronic document and/or other electronic communication transmitted via email or other suitable electronic communication mechanism.

In an exemplary embodiment, the targeted reward redemption offer may be in the form of a coupon redeemable for predetermined goods and/or services at one or more merchants, as described above. The targeted reward redemption offer may contain instructions associated with a manner of acceptance of the offer, and/or of the quantity of reward units that may be redeemed upon acceptance of the targeted reward redemption offer.

In an alternative exemplary embodiment, the targeted reward redemption offer may include a transaction card in the form of a gift card and/or stored value card. The transaction card may be usable, for instance, at a merchant to obtain goods and/or services upon presentation of the transaction card in exchange for a predetermined number of reward units associated with the targeted offer. The transaction card may also be usable at an ATM, POS terminal, and the like. In an alternative exemplary embodiment, the targeted reward redemption offer may include a check redeemable at a financial institution for cash, and the quantity of cash associated with the offer may be associated with an equivalent value of reward units. Alternatively, the targeted offer may include a good delivered directly to the identified individual.

Receipt of a response to the targeted reward redemption offer may be received at step 210, and the response may include an express acceptance or an express rejection by the identified individual. In an exemplary embodiment, the acceptance may include an express acknowledgement transmitted by the identified individual in the form of an express redemption acceptance, for example by signing an acceptance form, via telephone communication, via facsimile, via electronic mail, via SMS, via a software application presented on a web page, and the like.

In an alternative exemplary embodiment, acceptance of the targeted offer may be inferred from confirmation of an action performed by the individual in accordance with the targeted reward redemption offer, for example, a deposit of targeted reward redemption offer check and/or usage of a targeted offer transaction card at a merchant. In an exemplary embodiment, for instance, the targeted reward redemption offer may include a coupon inviting and/or instructing the identified individual to redeem a predetermined quantity of reward units for a good, service, and/or cash. The targeted offer may also include an indication that the coupon may be used by the individual by presentation of the coupon at a merchant, financial entity, and the like. Upon presentation of the coupon in accordance with the indication included in the targeted offer, the merchant, financial entity, and the like may then transmit an notice to the entity 102 that the individual has redeemed the targeted offer.

In an alternative exemplary embodiment, the targeted reward redemption offer may include a transaction instrument in an inactive state, for example a transaction card, check, coupon, and the like. The instrument may be unredeemable by the identified individual until the individual takes affirmative action to communicate an explicit acceptance of the targeted reward redemption offer. For example, the affirmative action may include a telephonic, postal, facsimile, SMS, or electronic communication to indicate the individual’s desire to accept the targeted reward redemption offer.

In an another alternative exemplary embodiment, the targeted reward redemption offer may include a predeter-

mined finite allowable acceptance time limit, and an indication and/or instruction that acceptance of the targeted reward redemption offer must be performed within the predetermined allowable acceptance time. If an acceptance of the targeted reward redemption offer that includes an allowable acceptance time is not performed before the expiration of the allowable acceptance time, the targeted offer may expire and the process may proceed to end at step 220. Alternatively, the targeted offer may include instructions indicating actions to be taken to transmit an express rejection of the targeted offer. Upon rejection of the targeted reward redemption offer by express rejection or by declining to affirmatively respond, the process may proceed to end at step 220.

Upon receipt of an acceptance of the targeted reward redemption offer as described above, the reward unit balance of the identified individual may be adjusted in accordance with the terms of the targeted reward redemption offer at step 212. The adjustment may include deducting and/or removing reward units from the reward account 106, in a quantity corresponding to the terms of the targeted offer. Adjustment associated with a targeted reward redemption offer including a transaction card and/or a check may include calculation of an equivalent cash value of reward units, the cash value being associated with the quantity of cash received by the accepting individual, and the deduction and/or removal of reward units in a quantity associated with the value of the calculated equivalent cash value.

The embodiments described above are illustrative examples of the present application and it should not be construed that the present application is limited to these particular embodiments. Various changes and modifications may be effected by one skilled in the art without departing from the spirit or scope of the application as defined in the appended claims.

It should be understood that the present application is not limited to the precise exemplary embodiments described herein and that various changes and modifications may be effected by one skilled in the art without departing from the spirit or scope of the application. For example, elements and/or features of different illustrative embodiments may be combined with each other and/or substituted for each other within the scope of the present disclosure and the appended claims. In addition, improvements and modifications which become apparent to persons of ordinary skill in the art after reading the present disclosure, the drawings, and the appended claims are deemed within the spirit and scope of the present application.

What is claimed is:

1. A computer-implemented method for improved timing of a personalized targeted reward redemption offer to an individual based on reward units held by the individual, comprising:

receiving account holder information associated with a plurality of individuals transmitted by external systems via a network, the account holder information including transaction history data, the transaction history data including at least one of transaction item identifier information, transaction item type information, transaction merchant identification information, transaction merchant type information, transaction date information, transaction time information, transaction location information, transaction value information, transaction frequency information, and reward holding period information;

determining, using a processor, threshold criteria, based on one or more factors including an average quantity of

reward units, a median quantity of reward units and date information, wherein the threshold criteria includes a threshold quantity of reward units held by at least one individual within a predetermined period of time that entitle the at least one individual to participate in a targeted reward redemption program, wherein the date information includes one or more of the following: one or more time periods of levels of consumer activity, a periodic, recurring schedule and a shopping season; parsing the account holder information, using the processor, to identify at least one individual that meets an individualized dynamically adjusted threshold criteria based on the account holder information for each respective individual, each individualized dynamically adjusted threshold criteria being determined by adjusting the threshold criteria based on one or more individualized details including: a length of time of holding the reward units by each individual, the transaction history data of the individual, individual transaction frequency information, information associated with lengths of time between transactions of the individual, information associated with average and median transaction values of the individual, individual transaction location information, transaction account and reward account establishment date information, individual demographic information, or individual financial asset information, wherein the processor identifies the at least one individual by searching at least one database containing information associated with the identified individual using the individualized dynamically adjusted threshold criteria, the at least one database also containing transaction history archive information; determining, using the processor, a targeted reward redemption offer based on at least the individualized dynamically adjusted criteria, the levels of consumer activity, geographical distribution of transactions and/or demographic information associated with the plurality of individuals;

determining, using the processor, a probability of acceptance by the identified individual of the targeted reward redemption offer based on the transaction history data, the transaction history archive information, and/or redemption history of the identified individual, the transaction history archive information of the at least one database corresponding to one or more historical records of a transaction performed by the individual, and the transaction history archive information of the at least one database being categorized by:

dividing the transaction history archive information temporally or geographically, and indexing the divided information in one or more tables or charts;

processing, using the processor, the one or more tables or charts to determine patterns of transaction activity in determining the probability of acceptance of the targeted reward redemption offer;

adjusting, using the processor, the targeted reward redemption offer based on the determined probability of acceptance;

transmitting, using the processor via a network, an electronic communication to a device, wherein the electronic communication comprises the targeted reward redemption offer in an inactive state;

receiving, at the processor via the network, a response from the device, wherein the response indicates an acceptance of the provided targeted reward redemption

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offer confirming that the identified individual has redeemed the targeted reward redemption offer at a merchant system;

determining, via the processor, a reward account of the identified individual associated with a transaction account; and

adjusting, via the processor, the reward account of the identified individual in accordance with the targeted reward redemption offer and the received response.

2. The computer-implemented method of claim 1, wherein the adjusting the reward account of the identified individual in accordance with the targeted reward redemption offer and the received response includes:

adjusting, via the processor, at least one of merchandise reward units, service reward units, airline reward units, lodging reward units, gift certificate reward units, and cash reward units.

3. The computer-implemented method of claim 1, wherein the searching the at least one database includes:

evaluating, in the at least one database, at least one of individual identification information, individual transaction account balance information, individual reward account balance information, individual credit limit information, individual financial asset information, the transaction history data, individual financial history information, and individual employment information.

4. The computer-implemented method of claim 3, wherein the individual identification information includes one or more of individual age information, individual residence address information, individual gender information, and individual family status information.

5. The computer-implemented method of claim 4, wherein the processor when determining the targeted reward redemption offer performs the following:

processing at least one of date information, the transaction history data of the individual, and the individual information associated with the individual.

6. The computer-implemented method of claim 1, wherein the processor when determining the targeted reward redemption offer performs the following:

determining a date of expiration of the reward held by the individual.

7. The computer-implemented method of claim 6, wherein

the processor provides the targeted reward redemption offer to the identified individual based on the date of expiration of the reward held by the identified individual.

8. The computer-implemented method of claim 1, wherein the targeted reward redemption offer includes at least one of an offer to redeem a predetermined quantity of the reward for at least one of an item, a service, and cash.

9. The computer-implemented method of claim 1, wherein the targeted reward redemption offer includes at least one of a cash card, a debit card, a stored-value card, a smart card, a coupon, and a check.

10. The computer-implemented method of claim 1, wherein the targeted reward redemption offer is one of finite in duration or indefinite in duration.

11. The computer-implemented method of claim 1, wherein the targeted reward redemption offer includes an allowable acceptance time period and wherein the receiving the response includes:

receiving acceptance of the provided targeted reward redemption offer via SMS after an expiration of the allowable acceptance time period.

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12. A rewards redemption system for improved timing of a personalized targeted reward redemption offer to an individual based on reward units held by the individual, comprising:

data storage storing information rewards accounts and transaction history archive information;

a central reward redemption processor connected to the data storage, the central reward redemption processor configured to:

receive account holder information associated with a plurality of individuals transmitted by external systems via a network, the account holder information including transaction history data, the transaction history data including at least one of transaction item identifier information, transaction item type information, transaction merchant identification information, transaction merchant type information, transaction date information, transaction time information, transaction location information, transaction value information, transaction frequency information, and reward holding period information;

evaluate the account holder information to determine threshold criteria based on one or more factors including an average quantity of reward units, a median quantity of reward units, and date information, wherein the threshold criteria includes a threshold quantity of reward units held by at least one individual within a predetermined period of time that entitles the at least one individual to participate in a targeted reward redemption program, wherein the date information includes one or more of the following, one or more time periods of levels of consumer activity, a periodic, recurring schedule and a shopping season;

parse the account holder information to identify at least one individual that meets an individualized dynamically adjusted threshold criteria based on the account holder information for each respective individual, each individualized dynamically adjusted threshold criteria being determined by adjusting the threshold criteria based on one or more individualized details including: a length of time of holding the reward units by each individual, the transaction history data of the individual, individual transaction frequency information, information associated with lengths of time between transactions of the individual, information associated with average and median transaction values of the individual, individual transaction location information, transaction account and reward account establishment date information, individual demographic information, or individual financial asset information, wherein the identifying the at least one individual includes searching the data storage containing information associated with the identified individual using the individualized dynamically adjusted threshold criteria;

determine a targeted reward redemption offer based on at least the individualized dynamically adjusted criteria, the levels of consumer activity, geographical distribution of transactions and/or demographic information associated with the plurality of individuals;

determine a probability of acceptance by the identified individual of the targeted reward redemption offer based on the transaction history data, the transaction history archive information, and/or redemption history of the identified individual, the transaction history archive information of the data storage corresponding to one or more historical records of a transaction

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performed by the individual, and the transaction history archive information of the data storage being categorized by:

dividing the transaction history archive information temporarily or geographically, and

indexing the divided information in one or more tables or charts;

processing, using the processor, the one or more tables or charts to determine patterns of transaction activity in determining the probability of acceptance of the targeted reward redemption offer;

adjust the targeted reward redemption offer based on the determined probability of acceptance;

transmit, via the network, an electronic communication to a device, wherein the electronic communication comprises the targeted reward redemption offer in an inactive state;

receive, via the network, a response from the device, wherein the response indicates an acceptance of the provided targeted reward redemption offer confirming that the identified individual has redeemed the targeted reward redemption offer at a merchant system;

determine a reward account of the identified individual associated with a transaction account managed by a same entity; and

adjust the reward account of the identified individual in accordance with the targeted reward redemption offer and the received response.

**13.** A computer-implemented method for redeeming rewards held by respective individuals, comprising:

receiving account holder information associated with a plurality of individuals transmitted by external systems via a network, the account holder information including transaction history data, the transaction history data including at least one of transaction item identifier information, transaction item type information, transaction merchant identification information, transaction merchant type information, transaction date information, transaction time information, transaction location information, transaction value information, transaction frequency information, and reward holding period information;

determining, using a processor, threshold criteria, based on one or more factors including an average quantity of reward units, a median quantity of reward units, and date information, wherein the threshold criteria includes a threshold quantity of reward units held by at least one individual within a predetermined period of time that entitles the at least one individual to participate in a targeted reward redemption program, wherein the date information includes one or more of the following: one or more time periods of levels of consumer activity, a periodic, recurring schedule and a shopping season;

accessing, via the processor, data stored in a memory;

parsing the account holder information, using the processor, to identify at least one individual that meets an individualized dynamically adjusted threshold criteria based on the account holder information for each respective individual, each individualized dynamically adjusted threshold criteria being determined by adjusting the threshold criteria based on one or more individualized details including: a length of time of holding the reward units by each individual, the transaction history data of the individual, individual transaction frequency information, information associated with

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lengths of time between transactions of the individual, information associated with average and median transaction values of the individual, individual transaction location information, transaction account and reward account establishment date information, individual demographic information, or individual financial asset information wherein the processor identifies the at least one individual by searching at least one database containing information associated with the identified individual using the individualized dynamically adjusted threshold criteria, the at least one database also containing transaction history archive information;

enrolling, using the processor, the identified individual with the targeted reward redemption program;

determining, using the processor, a targeted reward redemption offer based on at least the individualized dynamically adjusted threshold criteria, the levels of consumer activity, geographical distribution of transactions and/or demographic information associated with the plurality of individuals;

determining, using the processor, a probability of acceptance by the identified individual of the targeted reward redemption offer based on the transaction history data, the transaction history archive information, and/or redemption history of the identified individual, the transaction history archive information of the at least one database corresponding to one or more historical records of a transaction performed by the individual, and the transaction history archive information of the at least one database being categorized by:

dividing the transaction history archive information temporarily or geographically, and

indexing the divided information in one or more tables or charts;

processing, using the processor, the one or more tables or charts to determine patterns of transaction activity in determining the probability of acceptance of the targeted reward redemption offer;

adjusting, using the processor, the targeted reward redemption offer based on the determined probability of acceptance;

transmitting, using the processor via a network, an electronic communication to a device, wherein the electronic communication comprises the targeted reward redemption offer in an inactive state;

receiving, at the processor via the network, a response from the device, wherein the response indicates an acceptance of the targeted reward redemption offer confirming that the identified individual has redeemed the targeted reward redemption offer at a merchant system,

determining, via the processor, a reward account of the identified individual associated with a transaction account managed by a same entity;

adjusting, via the processor, the reward account of the identified individual in accordance with the targeted reward redemption offer when the processor receives a response from the device indicating an acceptance of the targeted reward redemption offer.

**14.** The computer-implemented method of claim 1, wherein the targeted reward redemption offer includes a transaction instrument in an inactive state which is unredeemable by the identified individual until the identified individual takes an affirmative action to communicate an explicit acceptance of the targeted reward redemption offer.